

ANNUAL REPORT

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

Working with the people we serve to
achieve their self-sufficiency

FY 98 - 99

John L. Clayton, Director

www.de.state.az.us

Continuous Improvement Efforts by DES

Since July 1, 1999 the Department has continued to pursue the following improvement initiatives:

- ◆ **Accreditation.** Pursuing national accreditation of DES programs to ensure adherence to nationally recognized standards.
- ◆ **Advocating.** Speaking on behalf of clients for increased support for services.
- ◆ **Best practices.** Researching new ways to serve clients by seeking out “best practices.”
- ◆ **Child welfare.** Analyzing child protection and learning what needs improving.
- ◆ **Customer service improvements.** Streamlining forms and requirements, and expanding office hours and communications.
- ◆ **Diversity training.** Developing a Cultural Diversity curriculum for all DES employees to improve the services to our customers.
- ◆ **Employment Transition Program.** Expanding support and services to families that receive Temporary Assistance for Needy Families and who have multiple barriers to employment.
- ◆ **Equipment.** Planning the expansion and upgrading of automation equipment to improve services to our customers.
- ◆ **Involving and supporting community agencies.** Establishing local advisory councils.
- ◆ **Licensure consolidation.** Consolidating and standardizing the licensing, certification and regulation functions.
- ◆ **Moving children to permanency.** Reducing the time children spend in temporary state custody and reducing the number of children who are in out-of-home care for longer than 24 months, so that they can return quickly to permanency.
- ◆ **Office of the Ombudsman.** Addressing community and client concerns through an Ombudsman with a toll-free telephone number.
- ◆ **Post Employment Education.** Providing educational training for jobs that are in demand in local markets to current or former Jobs Program participants who are working in unsubsidized employment.
- ◆ **Supporting foster parents.** Involving foster parents more in the decision making process regarding the children in their care.
- ◆ **World Wide Web.** Providing more information about DES programs and services through our web site at www.de.state.az.us



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson - P.O. Box 6123 - Phoenix, AZ 85005

Jane Dee Hull
Governor

John L. Clayton
Director

MAR 30 2000

The Honorable Jane Dee Hull
Governor of Arizona
State Capitol, West Wing
Phoenix, Arizona 85007

Dear Governor Hull,

I am pleased to submit the Annual Report for the Arizona Department of Economic Security (DES) which covers the period of July 1, 1998 through June 30, 1999. This report details important programs and services that helped us meet our mission of working with the people we serve to achieve their self-sufficiency.

Our improvement efforts resulted in significant national recognition in several areas. The Department earned \$2.7 million in high performance bonus awards from the federal government for our success in moving people from welfare to work. DES also received nearly \$300,000 in enhanced federal funding for dramatically improving the accuracy of the state's Food Stamp Program. Further the Arizona Family Builders community-based, child and family assistance pilot program won the National Council of State Governments Innovations Award.

Our continued quality improvement efforts are focusing on improved customer service and community involvement. Through community forums and other outreach efforts, we are learning more about our customers' needs so that we can put people first when we design and deliver services. We are creatively developing new ways to serve DES customers by seeking out and implementing "best practices" in human services from across the country. Further, we will be supporting people as they develop local solutions through participation on community-based advisory boards. Our progress on these initiatives will be reflected in next year's annual report.

Our challenges are great, but our opportunities are unlimited as we work to accomplish our goals of "Quality Service, Organizational Pride, and Client Self-Sufficiency."

Sincerely,


John L. Clayton

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Historical Perspective

The Department was established by the State Legislature in July 1972 by combining the Employment Security Commission, the State Department of Public Welfare, the Division of Vocational Rehabilitation, the State Office of Economic Opportunity, the Apprenticeship Council and the State Office of Manpower Planning. The State Department of Mental Retardation joined the Department in 1974. The purpose in creating the Department was to provide an integration of direct services to people in such a way as to reduce duplication of administrative efforts, services and expenditures. This purpose has resulted in the Department developing the following mission statement:

Mission

The Arizona Department of Economic Security is a human service agency dedicated to working with the people we serve to achieve their self-sufficiency.

Organization and Services Provided

The Department is organized into three clusters: Protective, Social and Community Services; Employment and Economic Assistance; and Operations.

The Protective, Social and Community Services cluster consists of the Division of Aging and Community Services, the Division of Children, Youth and Families and the Division of Developmental Disabilities.

The Division of Aging and Community Services (DACS) provides and contracts for services to help persons through emergencies such as emergency food and shelter services, domestic violence services, utility bill assistance, information and referral and refugee resettlement. Adult services programs include adult protective services, the supplemental payments program, home care, congregate meals, case management, long-term care ombudsman program, state health insurance assistance, legal services assistance, foster grandparent program, and training and employment for older workers. Intergovernmental and Community Liaison services provide the link between DES and Arizona Tribes and DES and local communities.

The Division of Children, Youth and Families (DCYF) provides services to children and families, such as child protective services, adoption services, foster care services, in-home family services and intensive family services for families whose children are at imminent risk of out-of-home placement. In addition, comprehensive medical and dental coverage is provided for foster children under the jurisdiction of the Department, Administrative Office of the Courts and the Department of Juvenile Corrections.

The Division of Developmental Disabilities (DDD) provides services to individuals with developmental disabilities through a 100 percent State-funded program and the Arizona Long-Term Care System (ALTCS), which is funded by the State and the Federal Health Care Financing Administration through the Arizona Health Care Cost Containment System (AHCCCS). Both programs provide services and supports as determined necessary and appropriate based on the individual's needs. This can include home- and community-based services, out-of-home services, and services specific to the needs of children, adults and families. In addition, the ALTCS program provides acute medical care to eligible individuals.

The Employment and Economic Assistance cluster consists of the Division of Child Support Enforcement, the Division of Benefits and Medical Eligibility and the Division of Employment and Rehabilitation Services.

The Division of Child Support Enforcement (DCSE) administers Arizona's child support enforcement program. The services of the Division include locating absent parents, establishing legal obligations and the amounts of child support payments, payment collections, and investigating and modifying child support payments.

The Division of Benefits and Medical Eligibility (DBME) administers the Temporary Assistance for Needy Families (TANF), Food Stamps and State-funded General Assistance programs. In addition, the Division determines eligibility for the State's medical assistance program (AHCCCS), as well as Supplemental Security Income through its Disability Determination Services Administration.

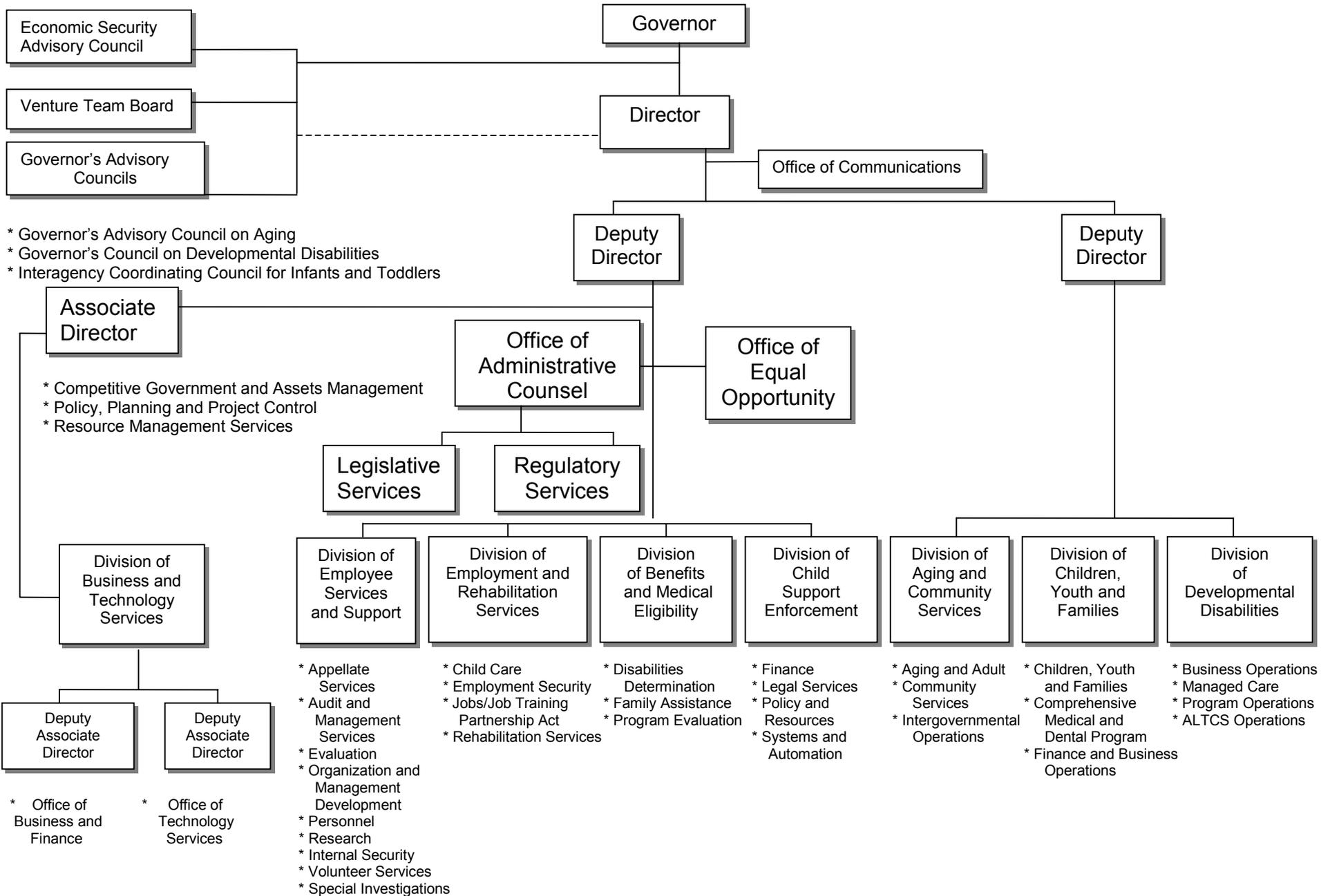
The Division of Employment and Rehabilitation Services (DERS) administers Arizona's unemployment insurance and job service programs. In addition, the Division provides job training opportunities through administration of the Job Training Partnership Act (JTPA), Jobs Program, and Vocational Rehabilitation programs. The Division also administers a comprehensive set of child care programs.

The Operations cluster consists of the Division of Employee Services and Support and the Division of Business and Technology Services. In addition, the Office of Administrative Counsel and the Office of Equal Opportunity report directly to the Deputy Director of Operations and Employment and Economic Assistance. The Office of Communications and Legal Services report to the Director.

The Division of Employee Services and Support (DESS) provides support services to all employees and programs, including appellate services, audit and management services, special investigations, internal security, research, organization and management development, volunteer services and personnel.

The Division of Business and Technology Services (DBTS) comprises the Office of Business and Finance (OBF) and the Office of Technology Services (OTS). OBF provides office and general business services to the Department, such as accounting; finance; budget; policy, planning and project control; collections; procurement; facilities management; printing and mail management. OTS provides automation and telecommunication support to the Department, including system design and programming, data base management and technical support.

SFY 1998-1999 ARIZONA DEPARTMENT OF ECONOMIC SECURITY ORGANIZATIONAL CHART



Economic Conditions and Outlook

The following economic information has been obtained from the Department's Research Administration:

Containing inflation has been Alan Greenspan's lesson throughout the 1990s, and the Greenspan-led Federal Open Market Committee has held steady on the course against inflation and toward controlled economic growth. This has allowed the southwestern economy to be especially vibrant. Strong population inflows have provided much of the impetus for job growth, and recent data for 1999 continue to suggest that the inflow has not yet subsided. Arizona continues to offer good job and business prospects, as well as varied amenities for retirees.

The Grand Canyon State's economy is projected to grow by more than 127,000 jobs during the 1999-2000 period. With the exception of mining, all other industries are expected to expand their workforces. Generally, this forecast translates into growth of 13,800 jobs in the goods-producing industries and 113,600 jobs in the service industries. Based on this forecast, the decade of the 1990s will have shown Arizona's economy to have grown by nearly 668,000 nonfarm jobs—an expansion of almost 50 percent. Arizona's economy for 1999 is forecast to show a 12-month average growth of nearly 73,000 jobs, representing an annual growth of 3.5 percent. Nationally, jobs are forecast to grow 1.9 percent in 1999 and four-tenths of one percentage point in 2000.

In an economic environment where interest rates are still at modestly low levels, Arizona's construction activity in recent years has continued at a brisk pace. While permit data show nonresidential activity is slowing, growth in residential construction has continued; however, much of the pent-up demand for housing is assumed by most to be satisfied. Arizona's construction industry is forecast to conclude the 1999 year averaging job growth of slightly more than 12,200, a growth rate of 8.5 percent. While jobs in construction are forecast to shrink in 2000 by roughly one-tenth of one percent, the industry is expected to sustain some continued activity in areas of infrastructure development, renovation and development, and some new housing, before dropping off further in 2001.

Back in January 1992, Arizona's mining industry represented more than 2.1 percent of all nonfarm jobs in the state. With the layoffs occurring this year, the remaining employment in the mining industry represents less than one-half of one percent of all jobs. While mining—especially for copper—has represented a valuable industry for the state, clearly the trend over time has been one of declining economic significance. The mining industry is forecast to lose 3,700 jobs over the forecast period, falling to a level representing just around four-tenths of one percent of all nonfarm jobs by 2000. The oversupply of copper is not expected to sharply change, and major mergers are likely as the industry landscape takes on a new, adjusted form.

Arizona's manufacturing industry continues to experience some of the lagging effects of the Asian economic crisis. While manufacturing grew nearly five percent in 1998, the industry is forecast to slow in 1999 to 1.2 percent. Only a slight increase to 1.3 percent is expected for the economy in 2000. Manufacturing jobs are forecast to grow by 2,700 in the Tucson Metropolitan Area (MA) and by 3,500 in the Phoenix-Mesa MA.

Arizona's services industry is forecast to grow by more than 48,800 jobs in the 1999-2000 period. Although the state has experienced slower growth in business services and the hotels and restaurants sectors in recent months, jobs in health services continued to expand in the healthy three percent range. Forecasted growth rates for the two metropolitan areas range between three to four percent and are in the mid-five percent range for the balance of the state.

Trade jobs are forecast to grow by 3.4 percent in 1999, nearly matching the pace of 1998. Trade industry job growth is expected to slow in 2000 to roughly two percent. Both wholesale and retail are expected to add jobs over the forecast period. The local growth trend coupled with similar economic growth nationwide has been a great benefit to Arizona. While Arizona's trade industry has long catered to winter visitors and recreation seekers, sports arenas and events have expanded to capture a great deal of attention—and dollars—fueling a variety of other concession revenues and jobs.

Arizona's transportation, communications and public utilities (TCPU) group continues to experience the effects of more recent deregulation. Technology is also largely changing the communications sector, and competition has intensified, while Arizona's public utilities are soon to face the forces of outside competition. The TCPU group is forecast to add nearly 8,000 jobs in the two-year period.

Further growth in Arizona's finance, insurance, and real estate (FIRE) group is expected over the forecast horizon. Deregulation of the financial industry has continued to present some monumental changes to the components of the industry group, as companies have engaged in huge mergers to remain competitive. As well, a thriving economy has summoned the need for many real estate brokers, stock market traders and analysts, banking and insurance staff. Although some consolidations are expected, Arizona's FIRE group is forecast to average growth of nearly five percent over the 1999-2000 period, growing by more than 14,000 jobs.

Arizona's government is forecast to add more than 16,000 jobs, at a growth rate near two percent. A large portion of this growth will be in education due to a fast-growing population.

Major Initiatives

During fiscal year 1998-99, the Department continued, commenced and planned a number of projects aimed at streamlining processes and improving customer service. The most significant projects are outlined below.

- **Family Builders**

Family Builders began January 1, 1998 as a two-and-a-half-year pilot program. Family Builders is an alternative response to potential or low-risk child abuse and neglect reports through the provision of family-centered assessment and services versus a Child Protective Services investigation. The family-centered, community-based providers and collaborators work as partners with families who choose to participate in the program. These providers and collaborators conduct family assessments, perform case management and provide a variety of services to families, including parenting skills training, guidance counseling, assistance with transportation, emergency shelter, etc. The goal of the program is to enhance parents' ability to create safe, stable and nurturing home environments that promote the safety of all family members and healthy child development.

- **Healthy Families Arizona Program**

The Healthy Families Arizona Program is a community-based, multidisciplinary program serving families of newborns and is designed to reduce stress, enhance parent-child interaction, promote child health and development, and minimize the incidence of abuse and neglect within a multicultural environment. This voluntary home visitation program provides a Family Support Specialist (FSS) who assists the family in obtaining services and provides emotional support, informal counseling, role modeling, effective life-coping skills, bonding and education on developmental assessments so that any learning disabilities, physical handicaps or behavioral health needs are identified early. The FSS provides education on the importance of preventive health care, assistance and encouragement to assess comprehensive private and public preschool and other school readiness programs, assistance in applying for private and public financial assistance, including employment services, and parent-child interaction. The FSS works closely with the child's pediatrician in monitoring the child's health. Families may be visited anywhere from weekly to quarterly according to the family's level of need. Program services are available until the child reaches five years of age.

- **Subsidized Guardianship**

Arizona passed legislation in 1999 that establishes a subsidy program for guardians. The program is available in cases where family reunification and adoption have been ruled out as viable permanency options and where an appropriate adult (e.g., a relative or foster parent) has obtained guardianship of the child. Before receiving benefits from

this program, the guardian must have applied for any and all state and federal entitlements that may be available and appropriate. The actual subsidy will consist of a monthly maintenance payment which is offset by other direct benefits the child receives. The availability of this program will directly contribute to the achievement of permanency for children and to a decrease in the number of open Child Protective Services cases.

- **Adult Protective Services Centralized Intake**

In fiscal year 1998, legislation was passed to provide Adult Protective Services with funding to develop and implement a centralized intake system. Centralized intake which provides the community and identified professionals the opportunity to report incidents of abuse, neglect or exploitation of vulnerable or incapacitated adults on a 24-hour basis was implemented in April 1999. Adult Protective Services networks with existing emergency systems, such as law enforcement, emergency rooms and paramedics in providing 24-hour intake.

- **Electronic Benefits Transfer (EBT)**

The EBT project is a key initiative of the Department. EBT changes the method used to issue food stamps and TANF cash assistance benefits from a paper-based, mail-delivered system of issuance to one in which both food stamps and TANF cash assistance are provided via a plastic debit card. The EBT project is being accomplished with the assistance of a contractor, Citibank Services, Inc. The pilot test of the system was initiated in Pima County in July 1998. Statewide implementation was completed on August 1, 1999. The EBT Project Team has added General Assistance and Refugee Assistance as benefits distributed by the EBT system. Jobs Program Training Related Expense payments and the Supplemental Payments Program will be added in fiscal year 2000.

- **Welfare Reform**

As part of ongoing efforts to enhance the existing welfare program, the Department implemented several programs and services that foster self-sufficiency. Some of these initiatives promote employment, retention and wage progression for TANF Cash Assistance recipients and include the following:

- Employment Transition Program—provides direct and intervention services to TANF families with multiple barriers to employment and job retention. The services include family assessments, housing search and relocation, intensive family preservation services, counseling, case management, child care, parenting skills training, transportation, emergency services, parent aide services, shelter services with parental consent and respite services.

- Post-Employment Education–pays for education or training for current or former Jobs Program participants who are employed in unsubsidized employment. The training provides these individuals with the opportunity to acquire more valuable work skills, enabling them to retain their current jobs and to obtain a better position. Participants may receive training for jobs that are in demand in the local labor market.
- Wheels to Work–matches donated vehicles with TANF Cash Assistance participants who have a verifiable job, but lack transportation. The goal of the program is to assist TANF Cash Assistance participants who have a transportation barrier to move from welfare dependency into the workforce. A contract has been awarded to a private entity to establish six locations throughout the state. The Wheels to Work program became fully operational, with statewide coverage effective October 1, 1999.
- Transportation Projects–Arizona provides funding to local communities to expand the availability of transportation services. Transportation assistance also includes a variety of strategies to assist TANF Cash Assistance recipients and recently employed former TANF Cash Assistance recipients with resolving the transportation barrier. These include bus tickets, van routes, car repairs, recycled bicycles and taxi rides.

- **Children’s Information Library and Data Source (CHILDS)**

CHILDS is a comprehensive statewide automated child welfare information system that supports approximately 1,800 staff providing child protective, foster care, adoption and other related child welfare services. A key feature of CHILDS is dial-up accessibility, allowing case managers equipped with modems in their laptop computers to dial up CHILDS twenty-four hours a day, seven days a week, from any location via a phone line and perform all necessary data recording and recovery tasks. CHILDS has greatly enhanced the ability of DCYF staff to serve families and improve the lives of children. The CHILDS system has been recognized nationally as a premier child welfare automation system supporting case managers. On-line demonstrations of CHILDS using dial-up capabilities have been used at national conferences to display the power, functionality and user friendliness to technical and program staff from other states.

- **Business Initiative Partnerships**

The Business Initiative Partnerships is a public-private partnership primarily developed as one method to respond to the expected increased need for child care for the Welfare to Work initiative. The partnership’s mission is to formalize recruitment, orientation, training and job placement of Department recipients who have an interest in the child care field. The goals of this project are to provide meaningful employment to

individuals currently receiving public assistance and to assist in meeting the ongoing and increasing need for qualified child care providers throughout the State.

To assist communities in addressing the need for an adequate supply of quality child care, the Department initiated and has maintained the following five projects.

- Arizona Early Childhood Business Initiative Partnership—to provide two weeks of training in Early Childhood Education for Department clients and the public;
 - Child Care Supply Expansion Project—to plan and develop new child care spaces throughout Arizona;
 - Home Recruitment Study and Supervision Contracts—to assist in meeting the increasing demand for child care in rural and low-income urban areas;
 - Statewide Early Child Care and Education Career Development System—to form a statewide plan for a child care and education career development system for early childhood caregivers and educators;
 - Improving the Quality and Supply of Infant/Toddler Care—for initiatives to improve the quality of infant/toddler care.
-
- **One-Stop Career Centers**

One-Stop Career Centers are a United States Department of Labor initiative to unify the “patchwork” of categorical programs into a single workforce development system. The One-Stop Career Center System (OSCCS) provides access for customers statewide to basic, high quality employment and education services. All counties within the state have One-Stop access. One-Stop Career Centers are access points (including electronic access, satellite offices and full-service centers) to a wide array of employment and training-related information and services.

In fiscal year 2000, the Senior Community Service Employment Program (Title V) will be one of the 14 required core partners in OSCCS under the Workforce Investment Act. Core services for older workers under OSCCS will include eligibility determination; intake; orientation; initial assessment of skill levels and aptitudes; job search; and placement assistance.

- **Arizona Early Intervention Program for Infants and Toddlers (AzEIP)**

AzEIP is a system of programs that identifies children from birth to three years of age who have special needs. The program provides evaluation/assessment, support and services and coordination of the support and services using a comprehensive, family-centered approach. AzEIP was established based on the Individuals with Disabilities Education Act (IDEA), Part C. The law gives primary responsibility for planning and implementation of the program to a single state agency, named by the Governor, which in Arizona is the Department of Economic Security. As required by the law, the Department has obtained interagency agreements to carry out the fiscal and

programmatic responsibilities of the program. The Department has entered into interagency agreements with the following agencies: Arizona Department of Health Services, Arizona Department of Education, Arizona Health Care Cost Containment System, and Arizona State Schools for the Deaf and Blind.

- **Arizona Works**

In 1997, legislation was passed that established a Procurement Board to oversee implementation of a welfare reform pilot project. This project was designed to test the validity and cost-effectiveness of privatizing the delivery of specific welfare programs to clients. Included in the original plan was the delivery of eligibility determinations for TANF, General Assistance, Food Stamps, Medicaid and TANF child care and the delivery of TANF and Food Stamp-related employment services. On January 11, 1999, the Department entered into a contract with MAXIMUS, Inc. to operate as the Arizona Works Agency and deliver services limited to TANF, General Assistance, and TANF child care eligibility, TANF employment supportive services and the Food Stamps Employment and Training program. The Department provides support to the pilot by providing technical assistance to the Procurement Board and by coordinating service delivery with the Arizona Works Agency.

Automation Initiatives

The Department continues to enhance its automation capabilities. Automation can have a positive impact on the way the Department provides services to the public and can enhance the productivity of Department staff. Several major automation initiatives have been completed or are underway in the Department, including the following:

- **Year 2000 Compliance**

The Department began Year 2000 compliance efforts in July 1996, with a comprehensive impact analysis of the automated systems running on the DES mainframe. Year 2000 activities evolved into an agencywide project affecting all Divisions and Program Administrations, encompassing numerous and complex tasks, activities and components. All facets of the Department's operations were assessed for Year 2000 impacts, including embedded systems, supply management chains and telephone systems. Contingency plans were also developed and tested to ensure the continuation of the agency's critical business functions. The Department's efforts resulted in the successful transition to Year 2000 without any interruption in agency programs or services.

- **Fingerprint Imaging Project**

Legislation was enacted in 1997 requiring all adult applicants, adult recipients and eligible minor parents to be fingerprint imaged for positive identification as a condition of eligibility for receiving welfare assistance benefits of the TANF, General Assistance and/or Food Stamp programs. The fingerprint imaging of welfare applicants and recipients as a means of positive identification is intended to identify and prevent multiple enrollments in Arizona's welfare programs. In 1999, Senate Bill 1357 appropriated \$120,000 to contract for a feasibility study of expanding the Arizona Fingerprint Imaging Program to include clients and applicants of the Arizona Health Care Cost Containment System.

Awards

- In December 1999, Arizona was awarded \$2,707,663 in High Performance Bonus funds by the federal government for the State's success in moving people from welfare to work during fiscal year 1998. Of the 46 states that competed for the bonus, Arizona placed second in the category of success in the workforce, and placed eighth in the category of most improvement in the success in the workforce rate.
- The Department's Family Builders program was named one of eight winners of the National Council of State Governments' 1999 Innovations Awards. By receiving this national recognition, the Arizona Family Builders program will serve as a model for other states.
- Spirit of Excellence Award – The Spirit of Excellence awards were established in 1993 by the Governor of the State of Arizona to recognize State agencies, teams and individuals who bring quality and excellence to State of Arizona government. Nominations are evaluated by a panel representing the public and private sectors.

The Department received five team awards in the Governor's Award category and four team awards in the Recognition Award category:

Governor's Award

- 1998 Pioneer Award for Quality
- Center Against Family Violence – DCYF
- Hotline Shift Team – DCYF
- Electronic Benefits Transfer (EBT) Project – DBME
- Centralized Payment Processing Implementation Team – DCSE
- Family Assistance Administration Management Team – DBME

Recognition Award

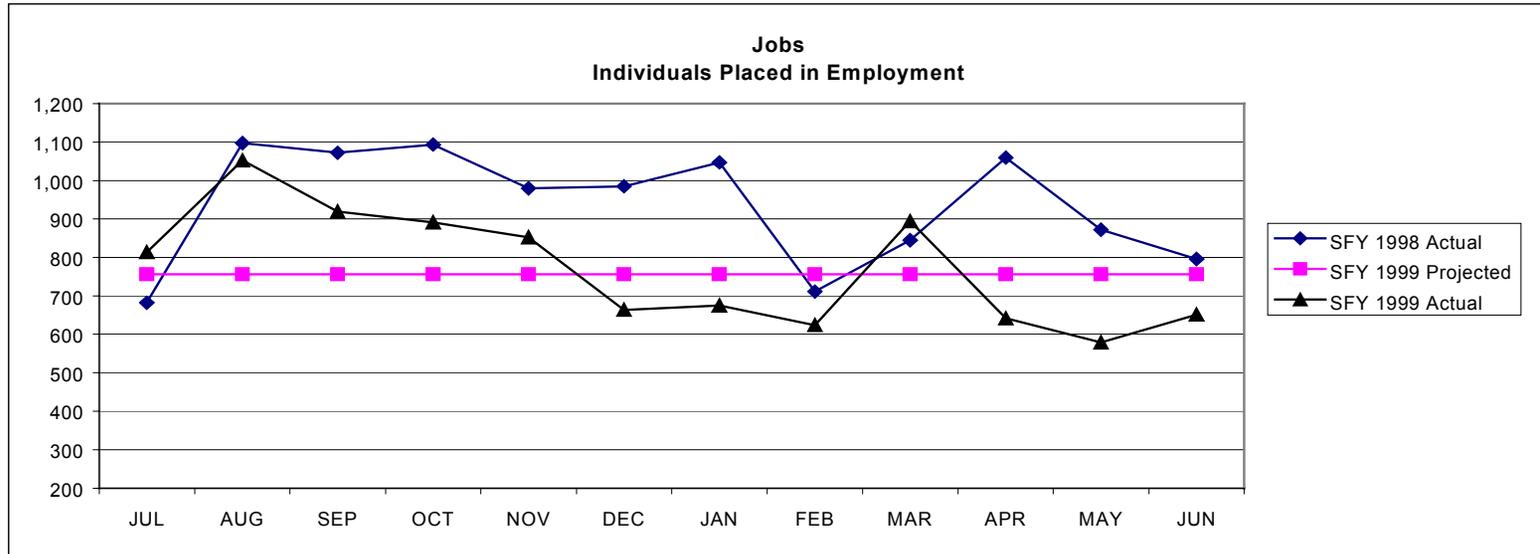
- The DD PAACE Group “Working for Success” – DERS
- Family Support Pilot Project – DCYF
- Employer New Hire Reporting/Directory of New Hires – DCSE
- ADES/ADOA Extended Taxi Lease Program – DBTS

Key Performance Results 1999

The Department of Economic Security reports monthly to the Arizona Department of Administration on Key Performance Results (KPR). The KPRs focus on critical issues that are important to the agency. The KPRs are shared with the Governor's Office to demonstrate agency progress and success in providing quality services to state residents.

Department of Economic Security SFY 1999 Monthly Key Performance Results

By June 30, 1999, the DES will place 9,072 TANF clients in employment.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 1998 Actual	682	1,097	1,072	1,094	980	985	1,047	711	845	1,060	872	796
SFY 1999 Projected	756	756	756	756	756	756	756	756	756	756	756	756
SFY 1999 Actual	814	1,052	919	891	852	664	675	624	894	642	579	651

Placement numbers are not available until the 45th day following the close of the month.

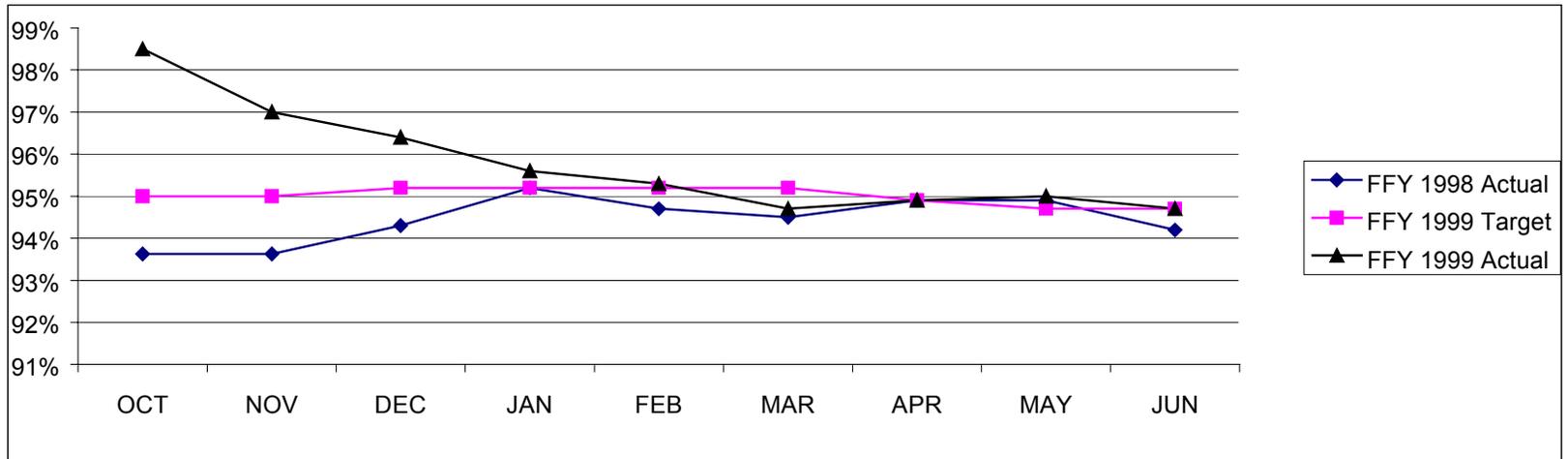
The decrease in placements beginning in April SFY 1999 Actual is due to FAA caseload reductions and Arizona Works.

Department of Economic Security

FFY 1999 Monthly Key Performance Results

By September 30, 1999, the DES will improve the Food Stamp Program accuracy rate to 94.60%.

FOOD STAMPS Accuracy Rate



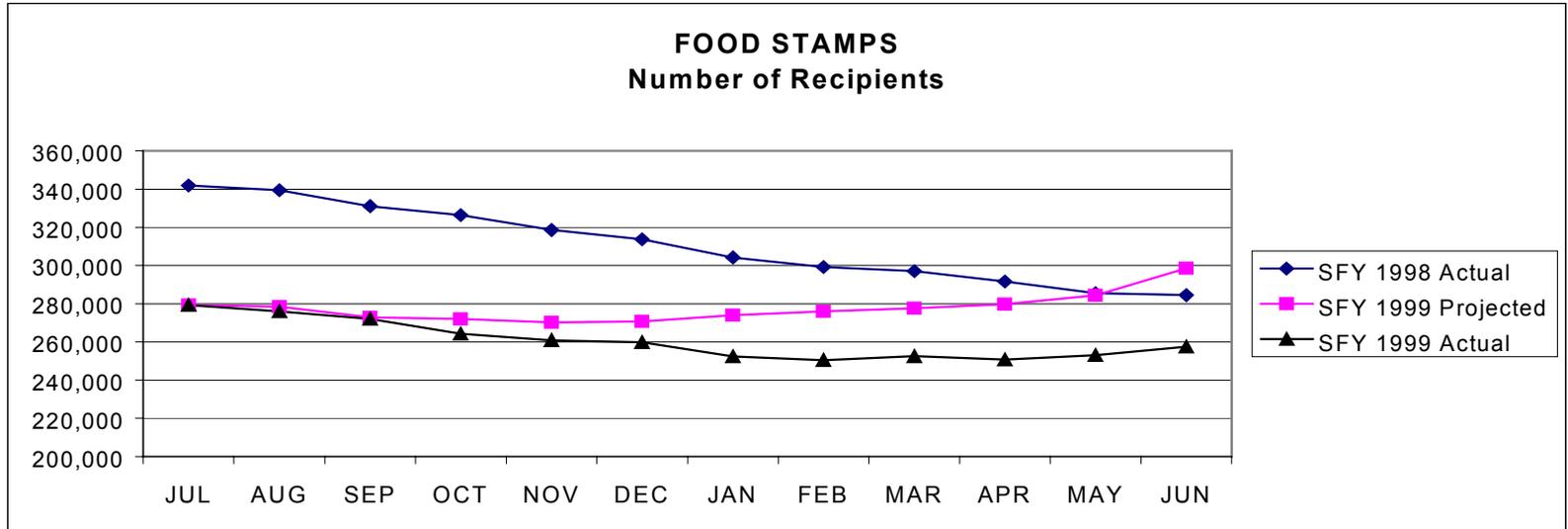
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FFY 1998 Actual	93.63%	93.63%	94.30%	95.20%	94.70%	94.50%	94.90%	94.90%	94.20%
FFY 1999 Target	95.00%	95.00%	95.20%	95.20%	95.20%	95.20%	94.90%	94.70%	94.70%
FFY 1999 Actual	98.50%	97.00%	96.40%	95.60%	95.30%	94.70%	94.90%	95.00%	94.70%

Federal reporting requirements necessitate structuring this measure according to the **FEDERAL** fiscal year.

This measure is cumulative and represents the total dollar amount paid accurately divided by the total dollar amount issued.

Department of Economic Security SFY 1999 Monthly Key Performance Results

By June 30, 1999, the DES will serve an average of 298,516 food stamp recipients per month.



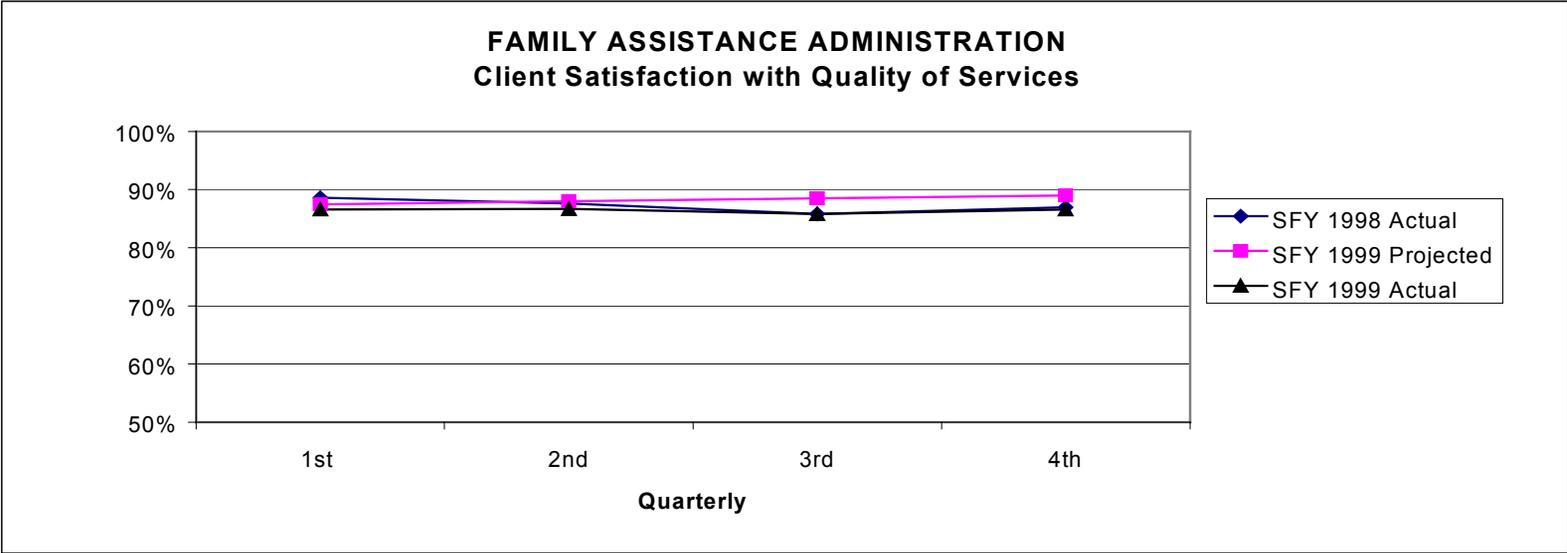
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 1998 Actual	341,960	339,498	331,156	326,447	318,601	313,777	304,303	299,252	297,103	291,620	285,483	284,506
SFY 1999 Projected	279,245	278,520	272,824	272,030	270,209	270,703	273,998	275,972	277,678	279,857	284,344	298,516
SFY 1999 Actual	279,245	276,002	271,913	264,309	260,871	259,927	252,305	250,544	252,546	250,783	253,001	257,387

Number of Food Stamp recipients is unavailable until 45 days following the close of the month.

Department of Economic Security

SFY 1999 Monthly Key Performance Results

By June 30, 1999, the DES will increase customer satisfaction with the quality of services received from the Family Assistance Administration to 89%.



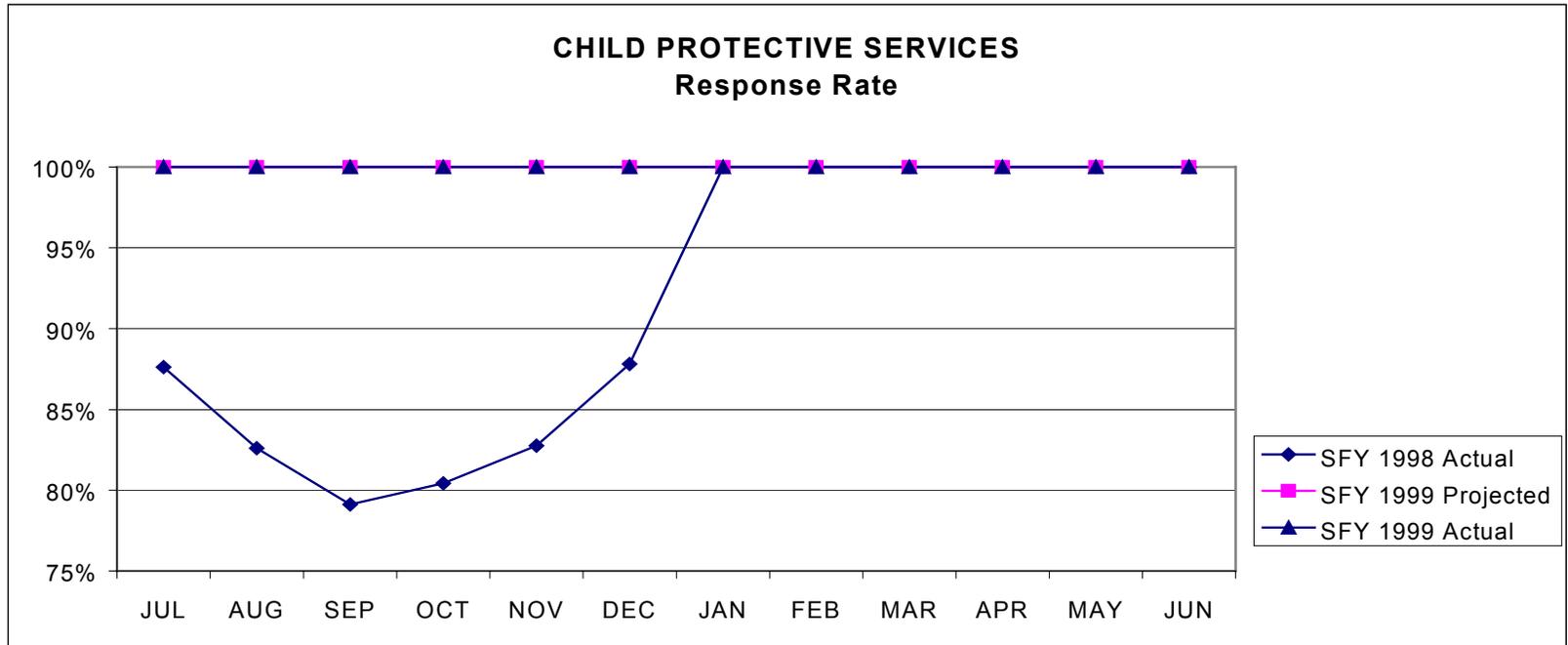
	1st	2nd	3rd	4th
SFY 1998 Actual	88.60%	87.60%	85.80%	87.00%
SFY 1999 Projected	87.50%	88.00%	88.50%	89.00%
SFY 1999 Actual	86.60%	86.70%	85.80%	86.60%

Client satisfaction data are collected on a quarterly basis only.

1st Quarter SFY 1999 Actual has been adjusted as of August 1999 to reflect revised methodology for calculating client satisfaction.

Department of Economic Security SFY 1999 Monthly Key Performance Results

By June 30, 1999, DES will maintain the Child Protective Services & Family Builders combined response rate of 100%.



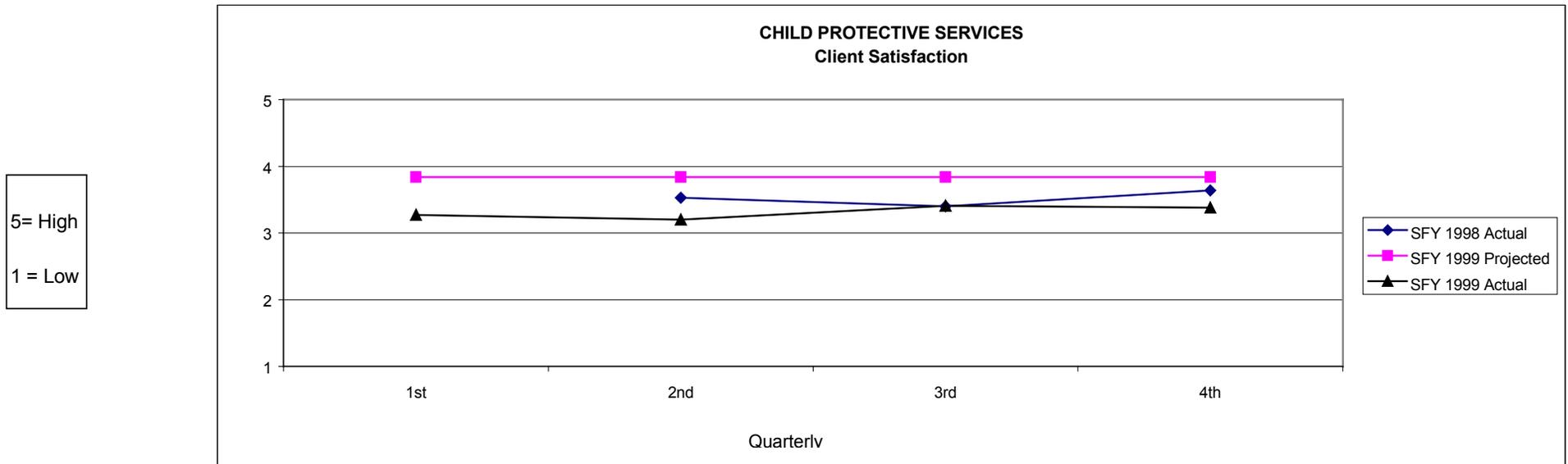
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 1998 Actual	87.62%	82.60%	79.12%	80.44%	82.75%	87.81%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SFY 1999 Projected	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SFY 1999 Actual	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

January 1, 1998 data reflect the onset of the Family Builders program.

Monthly data are available 60 days after the last day of the month. Prior reported months may fluctuate from one reporting period to the next due to the closure of reports that were pending in previous months.

Department of Economic Security SFY 1999 Monthly Key Performance Results

By June 30, 1999, the DES will increase client satisfaction 9% for the Child Protective Services Program.

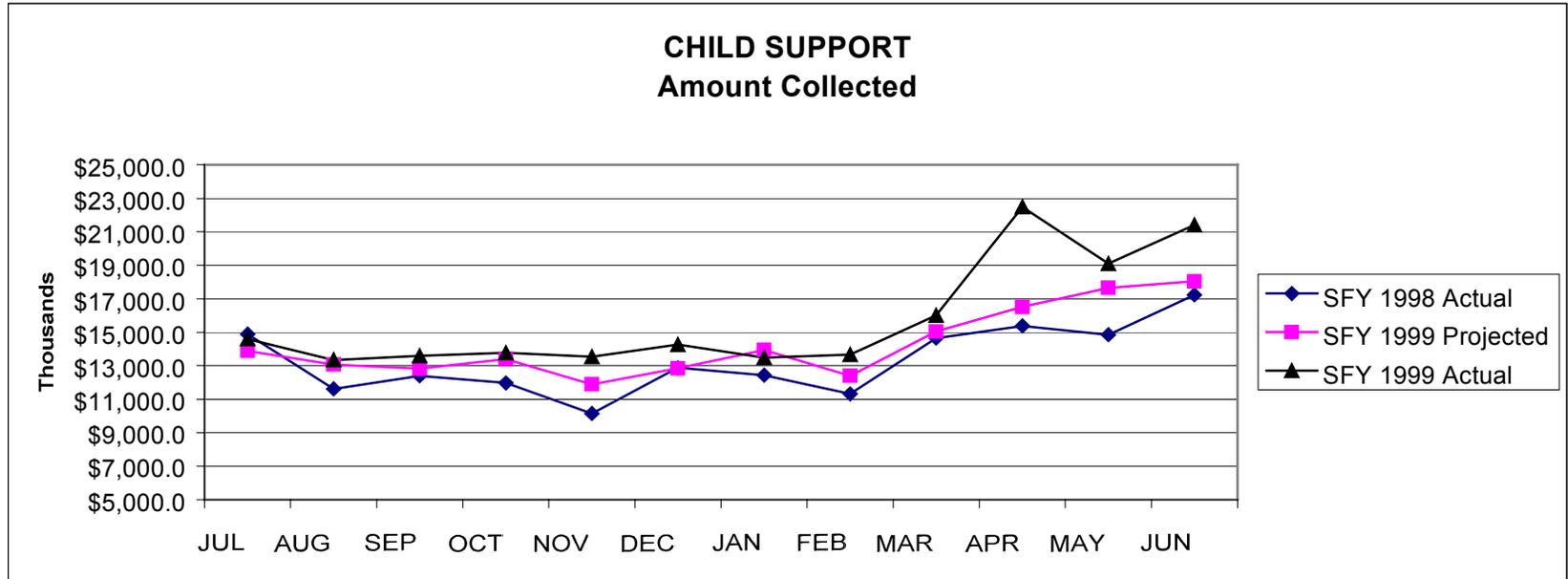


	1st	2nd	3rd	4th
SFY 1998 Actual		3.53	3.40	3.64
SFY 1999 Projected	3.84	3.84	3.84	3.84
SFY 1999 Actual	3.27	3.20	3.41	3.38

Department of Economic Security

SFY 1999 Monthly Key Performance Results

By June 30, 1999, the DES will increase total IV-D collections to \$171,500,000.



(THOUSANDS)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
SFY 1998 Actual	\$14,878.4	\$11,628.2	\$12,399.8	\$11,966.7	\$10,155.1	\$12,877.5	\$12,436.1	\$11,323.3	\$14,649.1	\$15,385.6	\$14,854.0	\$17,226.6
SFY 1999 Projected	\$13,888.6	\$13,066.6	\$12,819.5	\$13,385.5	\$11,881.0	\$12,841.2	\$13,950.1	\$12,391.5	\$15,052.6	\$16,521.3	\$17,659.7	\$18,042.4
SFY 1999 Actual	\$14,594.7	\$13,342.0	\$13,586.8	\$13,769.2	\$13,540.5	\$14,268.5	\$13,486.6	\$13,656.7	\$16,006.8	\$22,485.9	\$19,086.6	\$21,401.4

Monthly data will become available 45 days after the last day of the month.

SFY 1999 Actuals for October through December reflect adjustments for collections for those months.

S t a t i s t i c s

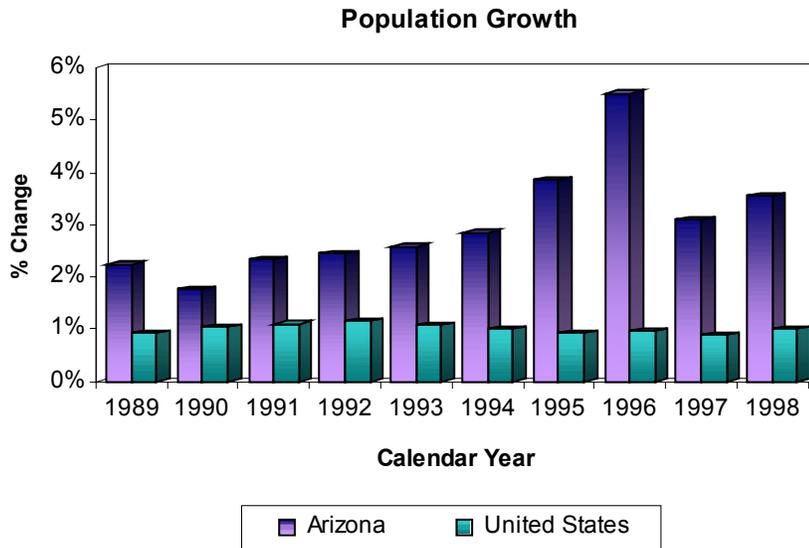
The Department of Economic Security presents statistical tables that are relative to its operations as a human services agency of the State of Arizona.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States
Population
For the Calendar Years Ended December 31

<u>Year</u>	<u>Arizona Population</u>	<u>United States Population</u>	<u>Percentage Change in Arizona Population</u>	<u>Percentage Change in U.S. Population</u>
1989	3,617,300	246,820,200	2.23%	0.93%
1990	3,680,800	249,402,000	1.76%	1.05%
1991	3,767,000	252,131,000	2.34%	1.09%
1992	3,858,900	255,028,000	2.44%	1.15%
1993	3,958,875	257,783,000	2.59%	1.08%
1994	4,071,650	260,341,000	2.85%	0.99%
1995	4,228,900	262,755,000	3.86%	0.93%
1996	4,462,300	265,284,000	5.52%	0.96%
1997	4,600,275	267,636,100	3.09%	0.89%
1998	4,764,025	270,299,000	3.56%	0.99%

Source: The United States Bureau of Economic Analysis; and the Arizona Department of Economic Security, Research Administration.

Note: The information contained in the sources used for this table is revised on a continuing basis and, accordingly, the amounts in the above table have been revised. Therefore, amounts presented for some years may not match the amounts presented in the Department's CAFR for the prior years.



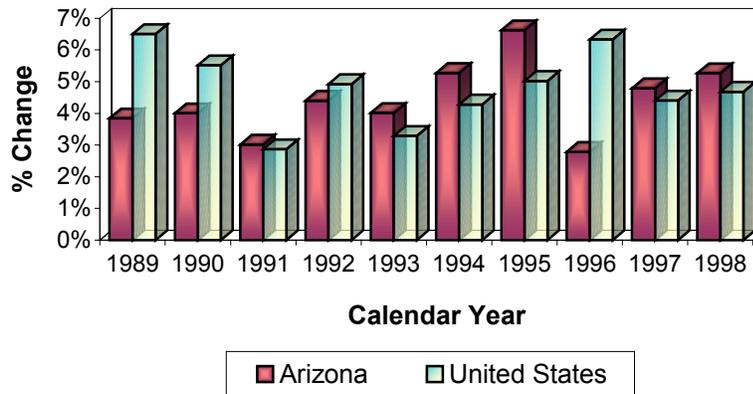
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States
Per Capita Income
For the Calendar Years Ended December 31

<u>Year</u>	<u>Arizona Per Capita Income</u>	<u>U.S. Per Capita Income</u>	<u>Percentage Change in Arizona Per Capita Income</u>	<u>Percentage Change in U.S. Per Capita Income</u>
1989	\$ 15,639	\$ 17,690	3.84%	6.50%
1990	16,265	18,666	4.00%	5.52%
1991	16,755	19,201	3.01%	2.87%
1992	17,492	20,146	4.40%	4.92%
1993	18,194	20,809	4.01%	3.29%
1994	19,153	21,699	5.27%	4.28%
1995	20,421	22,788	6.62%	5.02%
1996	20,989	24,231	2.78%	6.33%
1997	21,994	25,298	4.79%	4.40%
1998	23,152	26,482	5.27%	4.68%

Source: The United States Bureau of Economic Analysis.

Note: The information contained in the sources used for this table is revised on a continuing basis and, accordingly, the amounts in the above table have been revised. Therefore, amounts presented for some years may not match the amounts presented in the Department's CAFR for the prior years.

Change in Per Capita Income



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Expenditures by Function and Funding Source
(Governmental and Expendable Trust Funds)
For the Fiscal Years Ended June 30**

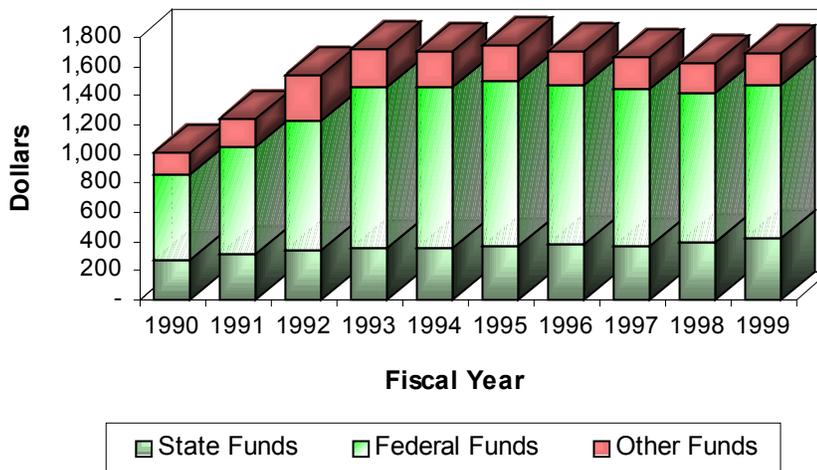
HEALTH AND WELFARE:

Year	State Funds	Federal Funds	Other Funds	Total Funds
1990	\$ 275,996,200	\$ 587,861,220	\$ 143,559,128	\$ 1,007,416,548
1991	316,315,000	737,106,621	189,889,787	1,243,311,408
1992	343,758,700	888,109,515	306,811,857	1,538,680,072
1993	360,053,000	1,097,998,692	258,209,249	1,716,260,941
1994	353,782,600	1,111,025,346	238,523,964	1,703,331,910
1995	372,114,400	1,129,460,885	240,231,124	1,741,806,409
1996	386,169,400	1,092,763,240	225,288,163	1,704,220,803
1997	370,757,400	1,072,660,950	216,699,361	1,660,117,711
1998	400,340,700	1,018,548,228	202,518,001	1,621,406,929
1999	425,235,500	1,045,925,462	220,049,050	1,691,210,012

Source: The Arizona Department of Economic Security, Office of the Budget, Unaudited, 1990 - 1992; Audited Annual Financial Report, 1993; and Audited Comprehensive Annual Financial Report, 1994, 1995, 1996, 1997, 1998 and 1999.

Note: The Federal Funds amounts include amounts for food stamp benefits distributed.

**Expenditures by Function and Funding Source
(In millions)**

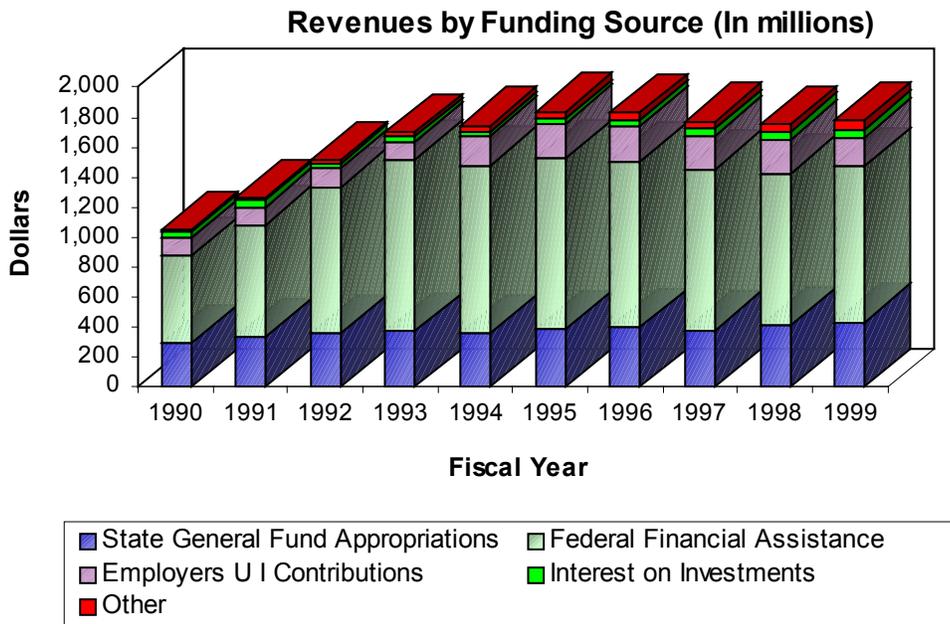


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Revenues by Funding Source
(Governmental and Expendable Trust Funds)
For the Fiscal Years Ended June 30

Year	State General Fund Appropriations	Federal Financial Assistance	Employers U I Contributions	Interest on Investments	Other	Total
1990	\$ 288,332,281	\$ 582,724,562	\$ 120,052,136	\$ 43,466,615	\$ 13,200,766	\$ 1,047,776,360
1991	332,164,261	749,433,305	118,497,757	43,182,744	14,345,396	1,257,623,463
1992	357,457,800	972,447,084	128,042,602	36,066,284	14,136,310	1,508,150,080
1993	367,363,500	1,148,257,103	124,081,164	29,012,139	32,186,623	1,700,900,529
1994	356,801,100	1,121,879,899	201,229,020	26,681,446	37,330,662	1,743,922,127
1995	379,581,100	1,142,831,235	235,800,076	30,346,709	45,731,486	1,834,290,606
1996	397,217,300	1,110,112,146	239,480,340	38,861,761	48,154,973	1,833,826,520
1997	373,669,400	1,078,901,892	225,101,956	43,414,155	47,406,581	1,768,493,984
1998	409,640,900	1,016,492,399	223,517,434	51,591,704	49,907,366	1,751,149,803
1999	425,530,200	1,045,521,174	191,326,704	58,281,429	56,212,888	1,776,872,395

Source: The Arizona Department of Economic Security, Office of Finance, Unaudited, 1990 - 1992; Audited Annual Financial Report, 1993; and Audited Comprehensive Annual Financial Report, 1994, 1995, 1996, 1997, 1998 and 1999.

Note: The Federal Financial Assistance amounts include amounts for food stamp benefits distributed.



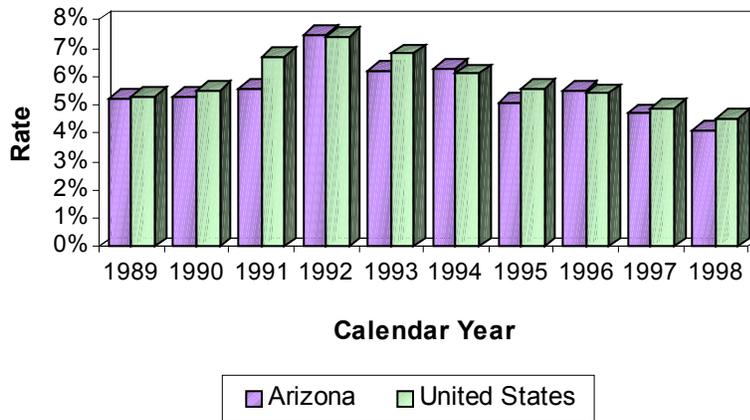
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison Between Arizona and United States Unemployment
For the Calendar Years Ended December 31

Year	Number of Unemployed - Arizona	Number of Unemployed - U.S.	Unemployment Rate - Arizona	Unemployment Rate - U.S.
1989	89,000	6,528,000	5.20%	5.30%
1990	96,000	6,874,000	5.30%	5.50%
1991	100,000	8,426,000	5.60%	6.70%
1992	135,000	9,384,000	7.50%	7.40%
1993	113,000	8,734,000	6.20%	6.80%
1994	126,000	7,996,000	6.30%	6.10%
1995	107,700	7,404,000	5.10%	5.60%
1996	123,900	7,236,000	5.50%	5.40%
1997	110,600	6,739,000	4.70%	4.90%
1998	94,000	6,210,000	4.10%	4.50%

Source: The Arizona Department of Economic Security, Research Administration, Economic Analysis; the WEFA Group; and the United States Department of Labor, Monthly Labor Review.

Note: The information contained in the sources used for this table is revised on a continuing basis and, accordingly, the amounts in the above table have been revised. Therefore, amounts presented for some years may not match the amounts presented in the Department's CAFR for the prior years.

Unemployment Rate



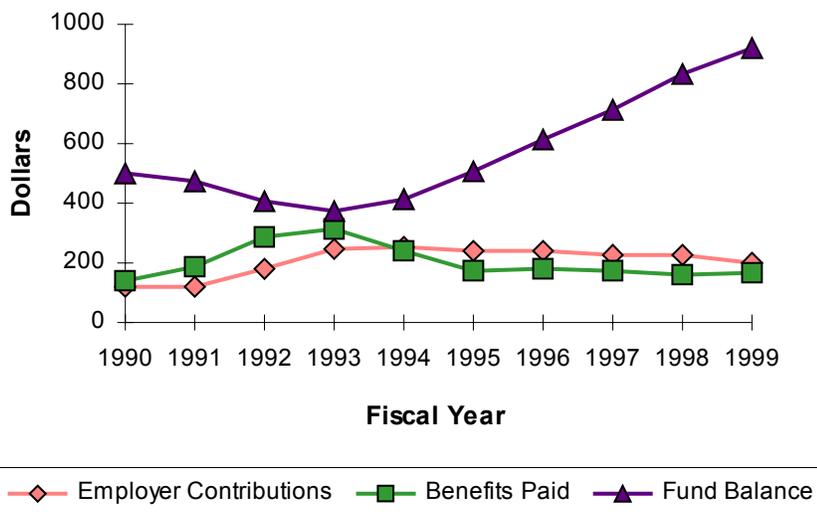
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Financial Transaction Summary
For the Fiscal Years Ended June 30

<u>Year</u>	<u>Total Employer Contributions</u>	<u>Total Benefits Paid</u>	<u>Trust Fund Balance</u>
1990	\$ 121,797,545	\$ 138,711,820	\$ 498,579,399
1991	118,315,651	186,322,241	473,972,183
1992	178,838,516	284,087,630	406,935,508
1993	247,003,400	311,482,824	372,205,292
1994	253,105,103	238,666,989	412,794,159
1995	236,679,799	173,317,247	504,536,522
1996	240,046,970	177,755,864	613,437,439
1997	227,644,491	172,336,147	711,845,399
1998	228,236,334	159,930,580	831,262,488
1999	200,221,238	169,265,609	919,819,409

Source: The Arizona Department of Economic Security, Unemployment Insurance Transaction Summary Report.

Note: The total benefits paid amount for all fiscal years has been adjusted to include interstate benefits.

Unemployment Insurance Contribution to Benefits and Fund Balance (In millions)

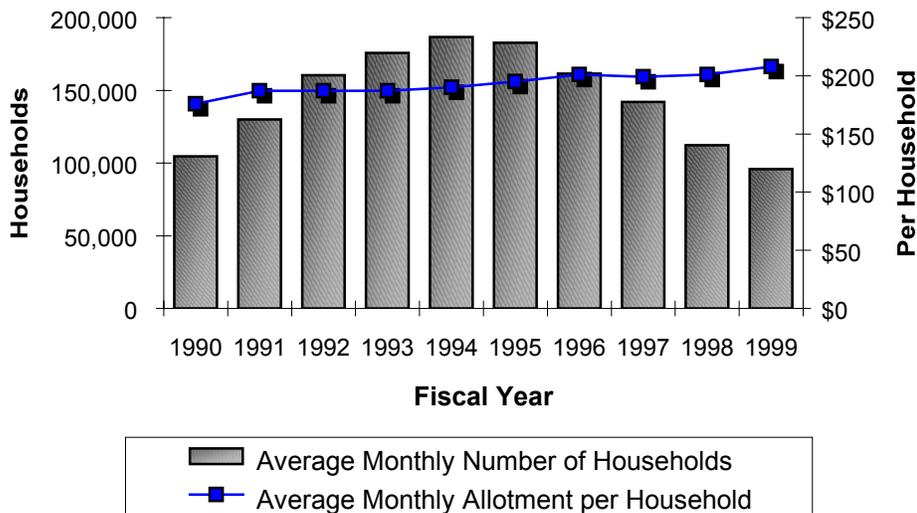


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Food Stamp Benefits Participants
For the Fiscal Years Ended June 30**

<u>Year</u>	<u>Average Monthly Number of Households</u>	<u>Average Monthly Number of Persons</u>	<u>Average Monthly Allotment Per Household</u>	<u>Average Monthly Allotment Per Person</u>	<u>Average Monthly Coupon Issuance</u>
1990	104,550	301,744	\$ 176.34	\$ 61.10	\$ 18,436,629
1991	129,922	369,392	186.53	65.61	24,234,784
1992	160,498	443,310	187.12	67.75	30,032,306
1993	175,686	480,865	186.92	68.29	32,838,478
1994	186,714	510,477	190.10	69.53	35,494,355
1995	182,782	494,637	195.05	72.08	35,651,359
1996	161,415	434,542	200.91	74.63	32,429,993
1997	141,981	385,061	199.34	73.50	28,302,483
1998	112,345	311,142	201.11	72.61	22,593,553
1999	95,938	260,736	207.73	76.43	19,929,511

Source: The Arizona Department of Economic Security, Family Assistance Administration.

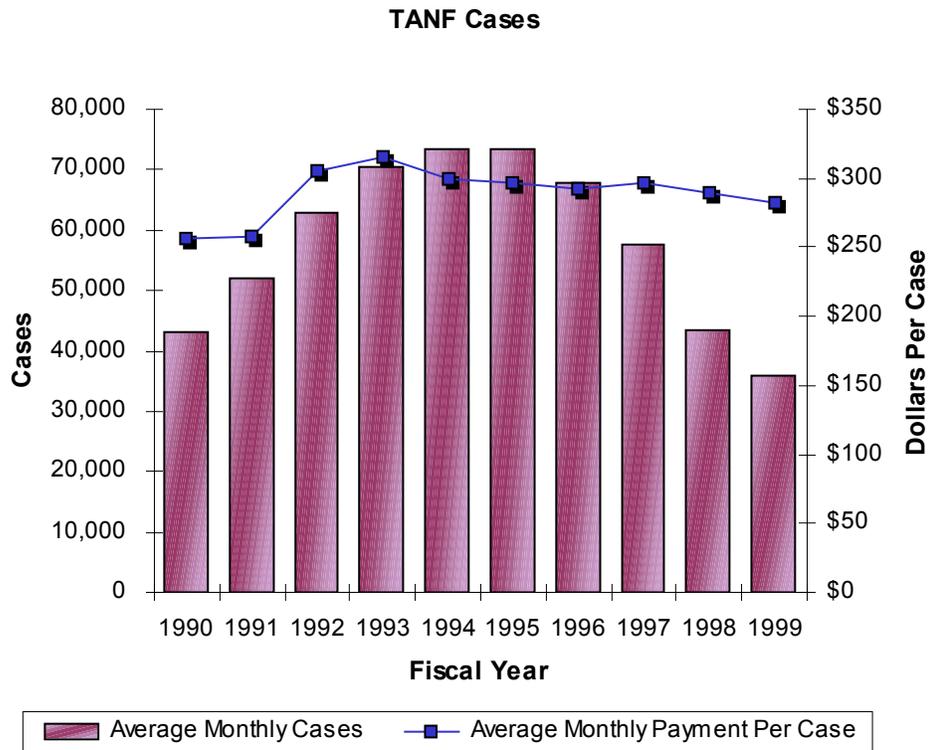
Food Stamp Benefits Participation



ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Temporary Assistance for Needy Families
For the Fiscal Years Ended June 30

<u>Year</u>	<u>Average Monthly Number of Cases</u>	<u>Average Monthly Number of Recipients</u>	<u>Average Monthly Payment Per Case</u>	<u>Average Monthly Payment Per Recipient</u>	<u>Average Monthly Payments</u>
1990	43,075	123,965	\$ 255.92	\$ 88.93	\$ 11,023,778
1991	51,997	148,258	257.96	90.47	13,413,246
1992	63,015	178,900	304.63	107.30	19,196,299
1993	70,452	197,543	315.48	112.51	22,226,198
1994	73,470	205,203	300.32	107.52	22,064,301
1995	73,277	201,019	296.57	108.11	21,731,910
1996	67,784	183,274	292.15	108.05	19,803,335
1997	57,526	155,037	296.30	109.94	17,045,065
1998	43,601	119,011	290.35	106.37	12,659,966
1999	35,730	95,556	282.66	105.69	10,099,685

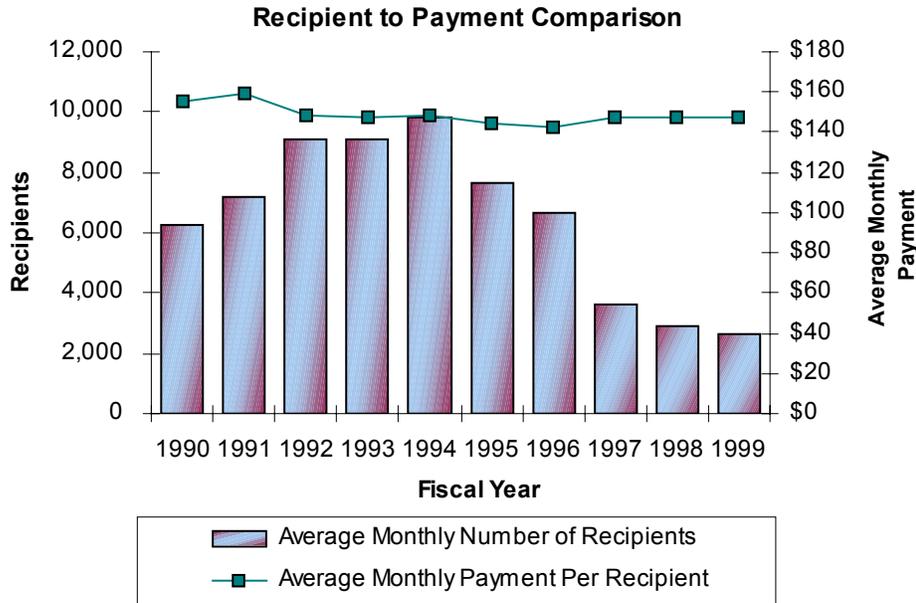
Source: The Arizona Department of Economic Security, Family Assistance Administration.



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
General Assistance
For the Fiscal Years Ended June 30**

<u>Year</u>	<u>Average Monthly Number of Recipients</u>	<u>Average Monthly Payment Per Recipient</u>	<u>Average Monthly Payments</u>
1990	6,232	\$ 154.51	\$ 962,918
1991	7,171	159.00	1,140,123
1992	9,116	148.36	1,352,449
1993	9,109	146.78	1,337,067
1994	9,855	147.63	1,455,003
1995	7,618	143.73	1,094,888
1996	6,655	141.97	944,841
1997	3,631	147.25	534,679
1998	2,883	146.87	423,430
1999	2,627	146.67	385,315

Source: The Arizona Department of Economic Security, Family Assistance Administration.

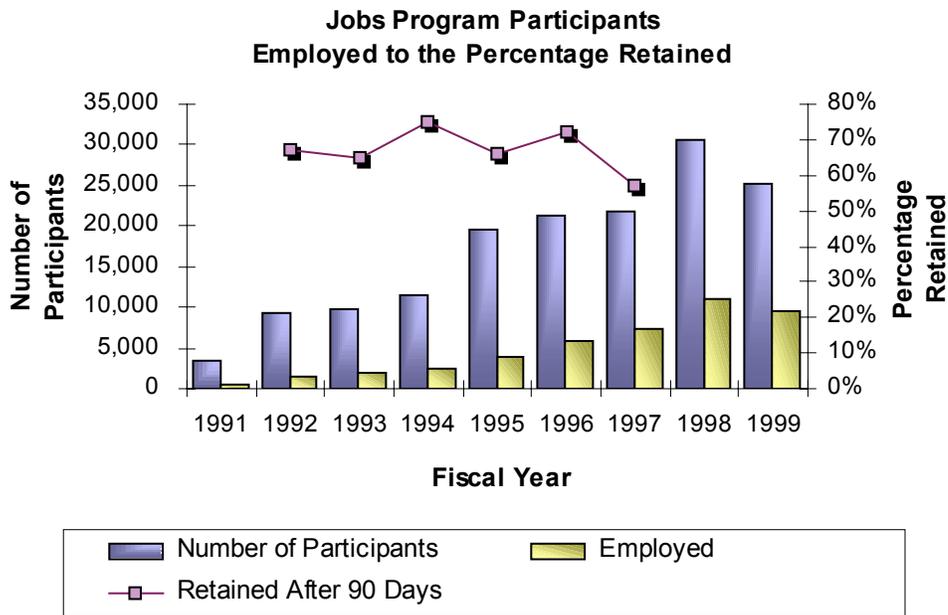


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Jobs Program
Comparison of Participants and Participants Employed
to the Percentage Retained
For the Fiscal Years Ended June 30

<u>Year</u>	<u>Participants</u>	<u>Employed</u>	<u>After 90 Days</u>
1991	3,507	606	N/A
1992	9,390	1,489	67%
1993	9,905	1,880	65%
1994	11,446	2,445	75%
1995	19,544	3,984	66%
1996	21,263	5,905	72%
1997	21,734	7,433	57%
1998	30,520	10,930	N/A
1999	25,209	9,604	N/A

Source: The Arizona Department of Economic Security, Jobs/JTPA Administration.

Note: The Jobs Program started in fiscal year 1991. In fiscal years 1991, 1998 and the first half of 1999, percentage retained after 90 days was not tracked as a performance measure.



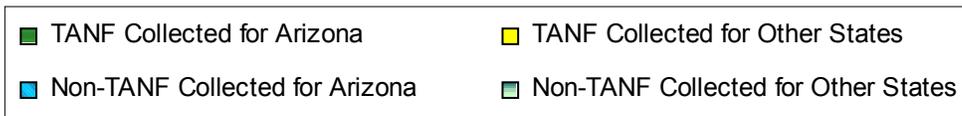
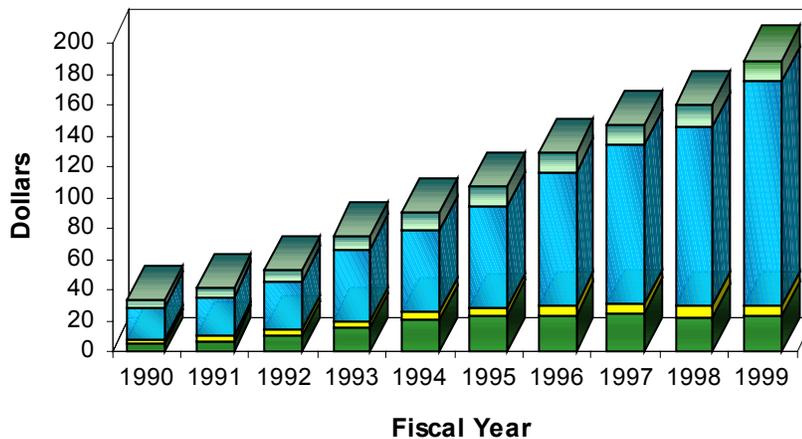
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Child Support Enforcement Collections
For the Fiscal Years Ended June 30

Year	TANF Collected for Arizona	TANF Collected for Other States	Non-TANF Collected for Arizona	Non-TANF Collected for Other States	Total Collections
1990	\$ 5,415,297	\$ 2,443,148	\$ 21,239,870	\$ 4,218,085	\$ 33,316,400
1991	7,095,200	2,970,089	25,289,765	5,397,716	40,752,770
1992	10,603,300	3,867,800	31,259,700	6,701,100	52,431,900
1993	15,404,200	4,151,500	46,880,600	8,561,800	74,998,100
1994	20,679,000	4,756,100	53,339,400	11,696,800	90,471,300
1995	23,813,000	5,025,800	65,478,200	12,983,200	107,300,200
1996	23,226,800	5,893,600	86,903,200	13,220,700	129,244,300
1997	25,042,400	6,142,200	103,245,200	12,632,300	147,062,100
1998	21,895,100	7,164,900	117,104,400	13,532,600	159,697,000
1999	22,700,300	7,284,700	145,367,800	13,791,700	189,144,500

Source: The Arizona Department of Economic Security, Division of Child Support Enforcement.

Note: Amounts presented in the schedule above do not include non-Title IV-D client collections of approximately \$146.5 million for fiscal year 1998-99.

Child Support Collections (In millions)



A p p e n d i x A

Children & Family Services Training Program Fund

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
ADMINISTRATION FOR CHILDREN, YOUTH & FAMILIES (ACYF)
CHILDREN & FAMILY SERVICES TRAINING PROGRAM FUND**

STATUS REPORT

To improve the quality of services provided to children and families, the Department offers ACYF staff a comprehensive child welfare training program. Training goals include:

1. developing training based on clearly identified training needs;
2. using child welfare best practices and state-of-the-art methodologies;
3. emphasizing cultural diversity;
4. integrating family-centered child welfare best practices consistent with existing national standards;
5. accepting and supporting comprehensive competency-based training;
6. promoting and facilitating the transfer of knowledge, skills and awareness from the training site to the job site;
7. supporting the professional growth and development of ACYF staff;
8. involving field staff in decision making on training issues; and,
9. revising training based on assessment of effectiveness through a continual evaluation process.

ACYF conducts core training for case managers and supervisors using curricula endorsed by the Child Welfare League of America. One and two-day advanced in-service workshops are conducted during the year in several locations throughout the state. The Department encourages staff to attend community workshops as well as pursue a bachelor's or master's degree to further improve the quality and professionalism of services.

SUMMARY OF ACYF TRAINING

SFY 1999

Type of Training	Number of Modules	Number of Days	Number of Classes Started
Case Manager Core	8	22	9
Supervisor Core	7	22	2
Parent Aides Core	2	6	3
Workshops	12	1-2	32
Conferences	1	2	1

NOTE: Training costs are paid by the Child Protective Services Training Fund, Title IV-E training reimbursements of federal grant funds.

New case managers received the Introductory Guide which includes readings and assignments to observe specific activities of experienced staff. The Introductory Guide is intended to be completed within the first month of employment.

New supervisors at the time of hire receive a New Supervisor Handbook which provides basic guidelines to begin the job.

**SUMMARY OF ACYF STAFF TRAINING, CONFERENCES AND
WORKSHOPS**

FOR SFY 1993-1999

TRAINING	SFY93	SFY94	SFY95	SFY96	SFY97	SFY98	SFY99
Case Manager Core (8 modules)	26	87	179	136	204	200	242
Case Manager Core for Supervisors	N/A	N/A	N/A	N/A	N/A	80	N/A
Supervisor Core (7 Modules)	30	37	31	80	27	27	42
Parent Aide Core (2 Modules)	46	47	48	42	22	22	66
Advanced Workshops and Conferences	837	1011	1686	1374	1033	912	2211
Supervisor Conference	60	61	49	59	52	91	102
Out-Service Workshops	558	612	408	649	389	598	536
Tuition Reimbursement	164	94	122	144	390	282	374

NOTE: The number of persons starting Case Manager Core, Case Manager Specialized, Supervisor Core, and Parent Aide are unduplicated. The number of persons attending workshops, out-service training and tuition reimbursement, however, is a duplicate count since the same person may have attended more than one workshop or attended more than one college class.

DES Service Delivery Presence by District

Director's Office

1717 West Jefferson Avenue
Phoenix, AZ 85007
(602) 542-5678

District Offices

District I

815 North 18th Street
Phoenix, AZ 85006
(602) 255-3722

District II

400 West Congress, #420
Tucson, AZ 85701
(520) 628-5428

District III

220 North Leroux
Flagstaff, AZ 86001
(520) 779-2731

District IV

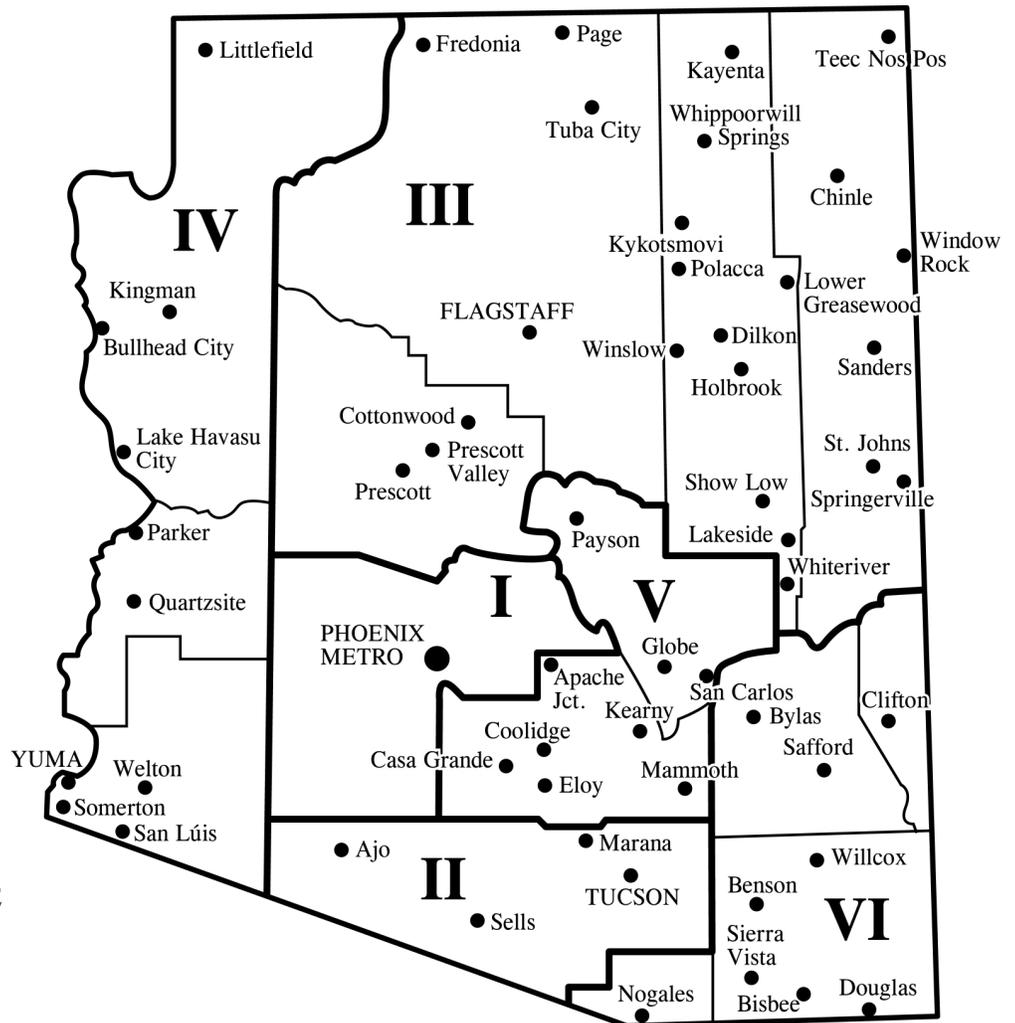
350 West 16th Street, #232
Yuma, AZ 85364
(520) 782-4343

District V

2510 North Trezell Road
Box 11150
Casa Grande, AZ 85230
(520) 863-2351

District VI

209 Bisbee Road
Bisbee, AZ 85603
(520) 432-5703





Equal Opportunity Employer/Program

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